

## A STUDY OF SINGLE ACCOUNT ON ACCOUNTING FIRMS IN NAKHON SI THAMMARAT PROVINCE

ARTHIT SUTJASEN<sup>1\*</sup>, ARPORN KLAEWATANONG<sup>2</sup> and AREE TEHLAH<sup>3</sup>

### ABSTRACT

Thailand has its own single Thai Financial Reporting Standards for the Publicly Accountable Entities (TFRSs for PAEs). The fair value concept is mainly used in the preparation of financial reports that was beneficial to SMEs. To sustainably develop the tax base, therefore, the government needs to promote and support the SMEs' entrepreneurs for doing single accounting that is consistent with actual condition of entities. It will also help increase competitiveness in the ASEAN market.

This study aimed to investigate the impact of single account on accounting firms, and to investigate the problems and obstacles of single account on accounting firms by collecting data from total 21 accounting entrepreneurs in Nakhon Si Thammarat Province using a questionnaire, and analyzing data using statistical analysis consisted of percentage, arithmetic average, and standard deviation.

From the study of impact of single account on accounting firms, it was found that accounting firms were overall affected from single account at a moderate level. Impact of single account on accounting firms on overall providing the accounting service was at a moderate level, Impact of single account on accounting firms on overall accounting operation was at a high level, and on the overall process of follow-up and correction was at a high level.

For other problems and obstacles of accounting entrepreneurs on single account, it was found that small accounting firms without updating TFRS law would have a problem of correct financial statement preparation because of updating shall be meet TFRS and work sheet, updating tax calculation in accordance with the Revenue Code. Many accounting firms recorded the accounting using the criteria as used by the Revenue Department which contrary with TFRS, however, it also affected to the disclosure of financial statement to financial institute and in case of emerging entity. The financial statement was unable to loan from bank.

**Keywords:** Impact ; Single Account ; Accounting Firms ; Nakhon Si Thammarat

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<sup>1-2</sup> Rajamangala University of Technology Srivijaya, Nakhon Si Thammarat, Thailand.

<sup>3</sup> Rajamangala University of Technology Srivijaya, Songkhla, Thailand.

\* Corresponding Author, Email: arthitgolden@gmail.com

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## INTRODUCTION

Thailand, led by the Federation of Accounting Professions, realizes the necessity of enhancing the quality of the Thai accounting profession, and therefore has taken various measures to promote the potential development of Thai accounting professionals, whether it is the revising financial reporting standards to conform to the international financial reporting standards. However, Thailand had Thai Financial Reporting Standard for single account referred from the International Financial Reporting Standard to make it was accepted in international class. The said Financial Reporting Standard was used for juristic person who was responsible for preparing the account in accordance with Accounting Code B.E. 2543, (Department of Business Development, 2016) whether registered company with stock trading in stock market or general juristic person without stock trading in stock market. The International Financial Reporting Standard was used for Publicly Accountable Entities with complicity. From the use of concept of fair value as the main point for preparing the financial report of Non-Publicly Accountable Entities that was small and medium entities, the Federation of Accounting Professions under the Royal Patronage of His Majesty the King had aware of the importance of Non-Publicly Accountable Entities which was the driving force of national economy and aware that this Non-Publicly Accountable Entities was different from Publicly Accountable Entities. After all this time, the Federation of Accounting Professions had prescribed the accounting procedure for Non-Publicly Accountable Entities by issuing the notice of enforcement exemption of some Thai Financial Reporting Standards to be suitable and applicable for business environment of Thailand (Federation of Accounting Professions, 2011) and on 1 January 2016, in order to promote a company or juristic partnership to

enter into tax system for sustainable tax base development which was improvement of tax collection management, there was establishment of the “Single Account” which was the measure of government and Ministry of Finance as well as Revenue Department to promote the SMES’ entrepreneur for preparing account and financial statement that are consistent with actual condition of entities and support tax collection procedure in accordance with the Revenue Code Act in order to tax collection system of a company or juristic partnership had more efficiency (Pongpitak, 2016). Two applicable laws related to the single account consisted of Royal Emergency Decree Issued under the Revenue Code Governing Exemption of Taxes and Promotion of Tax Collection Procedure B.E.2558 (2015), and Royal Decrees Issued under the Revenue Code Governing Reduction of Tax Rates and Exemption of Taxes (No. 595) B.E.2558 (2015), becoming into force on 1 January 2016 (Poontaneat, 2016).

Currently, financial report preparation of Non-Publicly Accountable Entities mainly focused on filing to the Revenue Department for income tax payment and may have more than one account with different other objectives such as for filing to bank for a loan or giving information to the owner. These financial information are different resulting in the business owner or accounting firm has more burdens as well as the financial statement does not reflect to the actual turnover due to certain properties may be undeclared or the use of property of the owner with multi-purposes. These issues inhibit the business growth because of it has multiple databases (Federation of Accounting Professions, 2016).

The results of taking action in accordance with the single accounting and exemption and reduction of corporate income tax rate for SMEs is expected that it will result a company or juristic partnership to prepare the account and financial statement that are consistent

with actual condition of entities using it as a tool for analyzing and planning business operation to build credibility on business operation, building sustainable tax base, reflecting national economic activity condition, and overall financial transaction by exempting and reducing the corporate income tax rate for SMES' entrepreneurs who prepare the single account, which will improve the potential and increase the competitiveness of SMES' entrepreneurs, using as a tool for analyzing and planning the business operation as well as building credibility for business expansion by the Ministry of Finance and Bank of Thailand govern the financial institutes to use the account and financial statement that the company or juristic partnership file to the Revenue Department, for filing income tax return as evidence for financial transaction and asking for a credit approval from a financial institute from 1 January 2019 onwards (Bureau of Tax policy and Planning, 2016).

Moreover, the quality management standard also focuses on active quality management and improvement of the auditing quality management procedure to be up-to-date by prescribing the company to have appropriate policy or procedure or system of quality management both in office level and auditing level, as well as focusing on the importance of auditor's responsibility who is responsible for quality management and achievement of auditing in order to have public benefits at most and be able to give reasonable credibility that the serviced task achieves the expected qualitative purposes.

Accounting firm as a representative of entrepreneur is responsible for preparing the account prescribed in Section 8 of Accounting Act B.E.2543 (2000). From above information, SME's entrepreneur has prepared more than one account and may distort or conceal accounting transaction, resulting in those who use the financial statement get incorrect information and may cause the damage from the use

of financial statement for business decision and resulted the accounting firm is affected from operation as the business owner's representative.

The authors therefore were interested to study the impact of single account on accounting firms in Nakhon Si Thammarat Province to know the accounting entrepreneur's views.

### Objectives

1. To investigate the study of single account on accounting firms in Nakhon Si Thammarat Province.
2. To investigate the problems and obstacles of single account on accounting firms in Nakhon Si Thammarat Province.

### Literature Reviews and Related literatures

Single account is a measure of Revenue Department to meet the government policy for promoting small and medium enterprises to prepare the account and financial statement that are consistent with actual condition of entities for using as a tool of analysis and planning the business operation as well as increasing the competitiveness for business operation, which reflect actual condition of entities.

The firm will get many tax privileges from participation of the said measure and it is the improvement of Thailand for preparing the obvious financial information which is the benefits for promoting the economic growth and strengthening for entity to be able to manage and use the information for decision efficiently, improve the potential of entities and reduce the borrowing cost of entities (Maythawiriyakul, 2017)

(Chotwetchakarn, 2012) stated that accounting in era of boundless communication should be a single account, holding 3 principles: 1) correctness, namely the recorded data is correct according to the principles of accounting and tax; 2) completeness, namely providing the necessary information that is sufficient for

the executive's decision; 3) In time for the executive's decision by the executives can view the real time information.

(Suratod, Suksamorn and Chadaeng, 2015) studied the use of simple accounting program for SMEs in accordance with the single account of the Revenue Department. It was found that after the entrepreneurs had used the single account, accounting standard for tax payment was more obvious, both small and medium entrepreneurs or SME registered as a company or juristic partnership could update their account by themselves and got the tax exemption and were not retroactive audit.

(Sriprachot, 2016) studied and compared the financial ratios of small and medium enterprises that participated and did not participate in the single accounting project to investigate the difference of financial ratios in 2014 and 2015. It was found that there were total 7 financial ratios of small and medium enterprises participated the single account project in 2014 that differed from the ratios in 2015, consisting of the Return On Equity (ROE), Debt to Total Asset Ratio (DTAR), Current Ratio (CR), Total Debt to Total Asset Ratio (TDTAR), Debt to Equity Ratio (DER) and Total Debt to Equity Ratio (TDER). For those that did not participate in the single accounting project, the financial ratios in 2014 was not different from 2015. For the financial ratios in 2014 and 2015 of small and medium enterprises that participated and did not participate in the single accounting project were no different.

(Kuangkham, 2017) studied the impact of single account on auditing of certified public accountant. It was found that the certified public accountant was overall affected from single accounting in auditing at a high level consisting of Audit Planning and Operation after Audit Complete. For the Auditing and Gathering Evidence of Audit were affected at a moderate level. Adjusting entry to correct an error that the auditor

detected at most were accounts receivable and loan payable of directors or partners. For the problems and obstacles of single account on auditing of certified public accountant were the difficulty of gathering evidence for auditing adjusted entries and certified public accountant lacked knowledge and understanding on single account as well as the study of (Inta, 2017) on impact of single account on audit and accounting certification of tax auditor, it was found that the impact of audit and accounting certification according to single accounting standard by tax auditor was affected at a high level on preparation of audit working paper and accounting certification, preparation of financial statement according to the accounting standard and relevant laws, accounting entry as detected and adjusted according to the single account; at a moderate level on taking auditing, guidelines for auditing and risk assessment, reporting the audit and accounting certification, testing the accounting entry according to the attached declaration statement of partner and auditor's equity.

The study of (Yamathewan, 2014) on the impact of good auditing on auditing quality of certified public accountant in Thailand, it was found that the certified public accountant agreed with having good auditing procedure in overall and each aspect at a high level, consisting of Audit Planning, Completion of Audit and Auditing Report Design.

## Research Framework

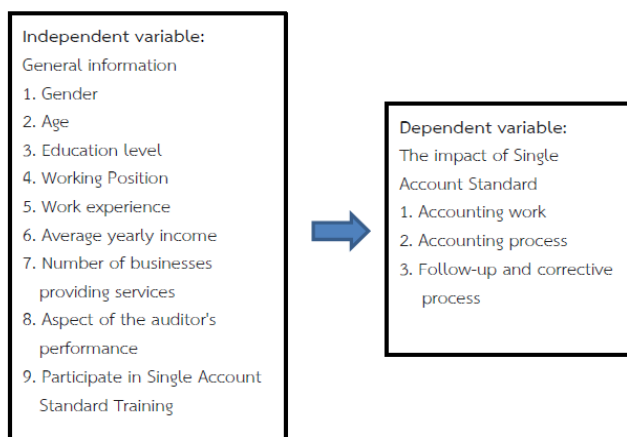


Figure 1 Research Framework

## RESEARCH METHODOLOGY

This study aimed to investigate the impact of single account on accounting firms, the problems and obstacles of single account on accounting firms.

### Research Scopes

#### Scope of Contents

This study investigated the impact of single account on accounting firms in Nakhon Si Thammarat Province as representatives for accounting of SME business.

#### Area of Population

The population in this study were 21 accounting firms in Nakhon Si Thammarat Province (Accounting Professional Promotion and Development Section, Business Accounting Supervision Division, Department of Business Development, 2020).

The sample in this study consisted of total 21 accounting firms in Nakhon Si Thammarat Province using Purposive Sampling Technique from data of Accounting Professional Promotion and Development Section, Business Accounting Supervision Division, Department of Business Development.

## Research Procedures

### Data Collection

This study collected data using the tools as follows:

1) Primary Data: This study collected data using a questionnaire in the sample. The respondents were accounting entrepreneurs in Nakhon Si Thammarat Province in 2020.

2) Secondary Data: The data was collected by studying from various information resources consisting of journals of the Revenue Department, Notifications of the Director-General of the Revenue Department, academic books, Financial Reporting Standards Guide for Non-Publicly Accountable Entities, the Federation of Accounting Professions' documents, information from internet and other information such as researches, journals and etc.

### Research Instrument

Instrument for collecting data was a questionnaire with the procedures for developing the instrument as follows:

1) Studied the relevant theories and concepts from documents, journals, Notifications of Director-General of the Revenue Department, academic books, textbooks and researches related to the impact of single account.

2) Took 21 copies of the questionnaire to pretest by experts with knowledge and experiences.

3) Developed it as the questionnaire that was consistent with the research scopes of this study.

4) Tested the reliability of the questionnaire using the Reliability Testing. The author had taken 21 copies of the questionnaire that was established and improved to Try Out with population with qualifications as same as the sample but they were not the sample to test that the questions were able to mean that corresponded to the required meaning and it was

suitable or not, how it was difficult. And then it was taken to test the reliability of questionnaire using SPSS PC Window software for analyzing the reliability with Cronbach's Alpha Coefficient Analysis. The result was Alpha 0.85 which was considered that it was in the significant level.

The questionnaire structure in this study was divided into 3 parts:

Part 1: General Information related to accounting entrepreneur consisting of gender, age, education level, and experiences of providing the bookkeeping service. The questions in this part were Check List question.

Part 2: Information related to the impact of single account on accounting firms, consisting of Providing Accounting Service, Accounting Operation, and Follow-Up Procedure and Correction. The questions in this part measured the impact level of single account on accounting firms in Nakhon Si Thammarat, using Likert scale.

Part 3: Information related to other problems and obstacles of single account that the accounting entrepreneurs suffered from accounting operation, using the Open-ended questions.

## Data Analysis

1. Analyzed data when received the questionnaire back with full amount as determined by selecting total 21 respondents which were the accounting firms in Nakhon Si Thammarat Province.

2. Data gathered from the questionnaire would be analyzed using the Descriptive Statistics as follows:

2.1 Data derived from Part 1 of the questionnaire by calculating the Frequency and Percentage to analyze the general information of the respondents and presenting it as the table supporting the data description.

2.2 Data in Part 2 would be analyzed by calculating the Frequency and Percentage, as well as

measurement of level using Likert scale. The questionnaire was multiple choice question on the impact of single account on providing bookkeeping service of accounting firm, with 5–point scales, namely Highest, High, Moderate, Low, Lowest. The scores in each level were as follows (Boonchom Srisa-ard, 2011: 121):

Highest	=	5
High	=	4
Moderate	=	3
Low	=	2
Lowest	=	1

After that, the Mean of scores derived from the answers in the questions would be interpreted the criteria for interpreting the Mean as follows (Boonchom Srisa-ard, 2011: 121):

4.51 - 5.00	=	highest
3.51 - 4.50	=	high
2.51 - 3.50	=	moderate
1.51 - 2.50	=	low
1.00 - 1.50	=	lowest

2.3 Data in Part 3: Problems and Obstacles – it was the open-ended questions using the descriptive writing for summarizing the issue.

2.4 Conclusion, Discussion, Findings and Suggestions related to the impact, problems and obstacles of single account on providing bookkeeping service of accounting firms.

## RESEARCH RESULTS

The results found that the respondents were mainly female aged in range of less than 30 – 40 years old. Their educational level was in bachelor degree, Accounting Program. The current position was business owner, with working experiences of 5 – 10 years. The average income was in range of 500,001-1,000,000 baht. Number of services provided each year was in range of

50-100 entities. The characteristic of auditor's operation would be a freelance auditor and mainly participate the training on single accounting standard.

**Table 1** Mean ( $\bar{x}$ ) of Impact of Single Account on Accounting Firms

Impact of Single Account on Accounting Firms	Mean	Interpretation
Taking Bookkeeping	3.29	Moderate
Accounting Operation Procedures	3.54	High
Procedures of Follow-up and Correction	3.51	High
Total Mean	3.45	Moderate

**Table 2** Mean ( $\bar{x}$ ) and Standard Deviation ( $\sigma$ ) of Impact of Single Account on Accounting Firms on Providing Bookkeeping Service

Providing Bookkeeping Service	Impact Level		
	$\bar{x}$	$\sigma$	Interpretation
1. Consideration of providing a bookkeeping service for new customer	3.29	1.15	Moderate
2. Consideration of providing a bookkeeping service for old customer	3.33	1.02	Moderate
3. Rates of service charges and fees for providing a bookkeeping service	3.57	0.87	High
4. Knowledge and understanding of entrepreneurs who used the bookkeeping service	3.38	1.16	High
5. Bargaining power of accounting firms to customer	3.19	0.93	Moderate
6. Disclosure the entrepreneur's information on the assets, debts and capitals, incomes and expenses, related to single accounting	3.29	1.19	Moderate
7. Personnel for managing single account	3.00	1.14	Moderate
Total Mean	3.29	1.06	Moderate

**Table 3** Mean ( $\bar{x}$ ) and Standard Deviation ( $\sigma$ ) of Impact of Single Account on Accounting Firms on Accounting Operation Procedures

Accounting Operation Procedures	Recognition Level		
	$\bar{x}$	$\sigma$	Interpretation
1. Period of time for providing the account bookkeeping service	3.29	0.78	Moderate
2. Knowledge and understanding of accounting officer in the accounting firms	3.48	1.25	Moderate
3. Gathering documents for preparing a work sheet in accordance with the single accounting standard	3.81	0.81	High
4. Auditing the income and expense accounts, purchase and sell accounts and other accounts in accordance with the single accounting	3.57	0.81	High
5. Assessment of sufficiency and appropriateness of auditing evidence for using as a criteria for giving an opinion on financial statement	3.62	0.80	High
6. Suggestion of adjusting entries, categorize the accounting and disclosure information as detected by auditor	3.52	0.93	High
7. Giving an unqualified opinion in the certified public accountant's report but adding the paragraphs of information and events focusing on issues related to single account	3.48	0.68	Moderate
8. Giving a qualified opinion in the certified public accountant's report on issues related to single account	3.57	0.93	Moderate
Total Mean	3.54	0.87	High





**Table 4** Mean ( $\bar{x}$ ) and Standard Deviation ( $\sigma$ ) of Impact of Single Account on Accounting Firms on Procedures of Follow-Up and Correction

Procedures of Follow-Up and Correction	Recognition Level		
	$\bar{x}$	$\sigma$	Interpretation
1. Design, implementation and maintenance of internal control of accounting firms	3.67	0.80	High
2. Checking the document of title in accordance with single account	3.29	0.90	Moderate
3. Problems and mistake of document preparation for supporting the bookkeeping in the single account	3.57	0.75	High
Total Mean	3.51	0.81	High

## Conclusion and Discussion

A study of impact of single account on accounting firms in Nakhon Si Thammarat Province was found that the accounting firms were overall affected from single account at a moderate level, accounting as 3.45 percent with impacts on each aspect as follows:

The overall impact of single account on accounting firms on providing bookkeeping service was at a moderate level accounting as 3.29 percent, affecting at a high level on providing bookkeeping service of 3.57 percent, knowledge and understanding of entrepreneurs who used the bookkeeping service of 3.38 percent, and providing bookkeeping service for old customer of 3.33 percent, respectively, which corresponded with the study of (Inta, 2017) on impact of single account on auditing and accounting certification of tax auditor which was found that impact from auditing and accounting certification in accordance with single accounting standard were affected at a

moderate level on providing auditing service, guidelines for auditing and risk assessment, reporting the audit and accounting certification, testing the accounting entry according to the attached declaration statement of partner and auditor's equity and accounting certification.

The overall impact of single account on accounting firms on accounting operation procedures was at a high level accounting as 3.54 percent, affecting at a high level on gathering evidence for supporting work sheet preparation in accordance with single accounting of 3.81 percent, assessment of sufficiency and appropriateness of auditing evidence for using as a criteria for giving an opinion on financial statement of 3.62 percent, and auditing the income and expense accounts, purchase and sell accounts and other accounts in accordance with the single accounting of 3.57 percent, respectively, which corresponded with the study of (Kuangkham, 2017) on impact of single account on auditing of certified public accountant which was found that the certified public accountant was overall affected from single account on auditing of certified public accountant at a high level, consisting of audit planning and operation after audit complete, as same as the study of (Inta, 2017) investigated impact of single account on auditing and accounting certification of tax auditor, it was found that the impact from auditing and accounting certification in accordance with single accounting standard on tax auditor was at a high level on work sheet preparation, auditing and accounting certification, on financial statement preparation in accordance with accounting standard and relevant laws.

The overall impact of single account on accounting firms on the procedures of follow-up and correction was at a high level accounting as 3.51 percent, affecting at a high level on design, implementation and maintenance of internal control of



accounting firms of 3.67 percent, problems and errors for preparing documents required to attach with bookkeeping of 3.57 percent, and checking document of title in accordance with single account of 3.29 percent, respectively, corresponding to the study of (Yamathewan, 2014) investigated the impact of good auditing procedures on auditing quality of certified public accountant in Thailand which was found that the certified public accountant agreed with having good auditing procedure in overall and each aspect at a high level, consisting of Audit Planning, Completion of Audit and Auditing Report Design.

For other problems and obstacles of accounting entrepreneurs on single account, it was found that small accounting firms without updating TFRS law would have a problem of correct financial statement preparation because of updating shall be meet TFRS and work sheet, updating tax calculation in accordance

with the Revenue Code. Many accounting firms recorded the accounting using the criteria as used by the Revenue Department which contrary with TFRS, however, it also affected to the disclosure of financial statement to financial institute and in case of emerging entity, the financial statement was unable to loan from bank and some entities had problems on laws of the Revenue Department that was unable to legal register.

The entrepreneur used the tax privilege but did not prepare the account according to the facts of business, avoided to declare income and obstacles from some expenses such as convenience cost that was unable to withhold tax and, however, in order to making understanding with a customer who was an entrepreneur on the single account system, the document and information shall be rearranged.

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